

State laws pertaining to debt collection practices (e.g., the Fair Debt Collection Practices Act (15 U.S.C. 1692–1692o)), and with applicable regulations of the Corporation in this chapter;

(c) Require the contractor to account accurately and fully for all amounts collected; and

(d) Require the contractor to provide to the Corporation, upon request, all data and reports contained in its files relating to its collection actions on a debt.

**§ 2506.12 When will the Corporation refer claims to the DOJ?**

The Chief Executive Officer will refer to the DOJ for litigation all claims on which aggressive collection actions have been taken but which could not be collected, compromised, suspended, or terminated. Referrals will be made as early as possible, consistent with aggressive Corporation collection action, and within the period for bringing a timely suit against the debtor.

**§ 2506.13 Will the Corporation use a cross-servicing agreement with the Treasury to collect its claims?**

Yes. The Corporation will enter into a cross-servicing agreement with the Treasury which will authorize the Treasury to take all of the debt collection actions described in this part. These debt collection services will be provided to the Corporation in accordance with 31 U.S.C. Chapter 37.

**Subpart B—Salary Offset**

**§ 2506.20 What debts are included or excluded from coverage of these regulations on salary offset?**

(a) The regulations in this subpart provide Corporation procedures for the collection by salary offset of a federal employee's pay to satisfy certain debts owed to the Corporation or to other federal agencies.

(b) The regulations in this subpart apply to collections by the Chief Executive Officer, from:

(1) Federal employees who owe debts to the Corporation; and

(2) Employees of the Corporation who owe debts to other federal agencies.

(c) The regulations in subpart A and this subpart do not apply to debts arising

under the Internal Revenue Code of 1986, as amended (title 26, United States Code); the Social Security Act (42 U.S.C. 301 et seq.); the tariff laws of the United States; or to any case where collection of a debt by salary offset is explicitly provided for or prohibited by another statute (e.g., travel advances in 5 U.S.C. 5705 and employee training expenses in 5 U.S.C. 4108).

(d) Nothing in the regulations in this subpart precludes the compromise, suspension, or termination of collection actions under the standards implementing the Federal Claims Collection Act (31 U.S.C. 3711 et seq., 4 CFR parts 101–105, 38 CFR 1.900–1.994).

(e) A levy pursuant to the Internal Revenue Code takes precedence over a salary offset under this subpart, as provided in 5 U.S.C. 5514(d).

(f) This subpart does not apply to any adjustment to pay arising out of an employee's election of coverage or a change in coverage under a Federal benefits program requiring periodic deductions from pay, if the amount to be recovered was accumulated over four or fewer pay periods.

**§ 2506.21 May I ask the Corporation to waive an overpayment that would otherwise be collected by offsetting my salary as a federal employee?**

Yes, the regulations in this subpart do not preclude an employee from requesting waiver of an overpayment under 5 U.S.C. 5584 or 8346(b), 10 U.S.C. 2774, 32 U.S.C. 716, or under other statutory provisions pertaining to the particular debts being collected.

**§ 2506.22 What are the Corporation's procedures for salary offset?**

(a) The Corporation will coordinate salary deductions under this subpart as appropriate.

(b) The Corporation's payroll office will determine the amount of an employee's disposable pay and will implement the salary offset.

(c) Deductions will begin within three official pay periods following receipt by the Corporation's payroll office of certification of debt from the creditor agency.

(d) Types of collection—